



U.S. Department of Justice

**Stephen J. Murphy
United States Attorney
Eastern District of Michigan**

*Suite 2001
211 West Fort Street
Detroit, Michigan 48226-3277
Fax: (313) 226-3561*

For Immediate Release:

Contact: Shannon Bass (313) 226-9530

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Event: Sentencing

Defendant: Kristy Lynne Hess, 24, of Ypsilanti

Kristy Lynne Hess, age 24, of Ypsilanti, was sentenced today by United States District Judge John Corbett O'Meara to serve twenty-four (24) months in the custody of the Bureau of Prisons, to be followed by four years on supervised release, and to pay restitution of \$987,426.32 to ABN Amro as a result of her conviction on one count of bank fraud, announced U.S. Attorney Stephen J. Murphy.

Ms. Hess previously pled guilty to one count of an indictment charging her with 11 counts of bank fraud. The remaining ten counts of the indictment are to be dismissed pursuant to the plea agreement, but, with the parties' consent, Judge O'Meara considered all of the dismissed counts as though Ms. Hess had been convicted of them in imposing sentence.

Mr. Murphy stated that, "Ms. Hess admitted that, in September and October of 2002, as an employee of Interfirst Wholesale Mortgage Lending, Inc., a division of ABN Amro (a wholly owned subsidiary of Standard Federal Bank), she falsely entered into the computerized application and tracking system used by Interfirst in processing mortgage applications that various conditions precedent to the approval of 11 mortgage loans had been satisfied, resulting in the issuance of mortgage loans in excess of the appraised value of the property used as security. Such loans would not have been granted but for these false entries by Ms. Hess. Many of the borrowers subsequently defaulted on these loans causing substantial

losses to ABN Amro.”

This case was prosecuted by Assistant United States Attorney Craig A. Weier. Mr. Murphy commended the United States Secret Service, whose investigation led to the successful prosecution of Mr. Carmichael.